GETTING READY

SELLING YOUR BUSINESS

FIVE STEPS THAT MAKE A MIDDLE-MARKET BUSINESS READY TO SELL IN ANY MARKET CONDITION



AEKLVYA

BY MANISH KUMAR
MANAGING DIRECTOR
AEKLVYA ADVISORS, NEW YORK

Business owners often ask whether now is the right time to sell. Markets will always move through cycles of expansion and contraction, interest-rate shifts, and periods of uncertainty, yet well-run companies change hands in every environment. The better question is not whether the market is ready, but whether your business is.

Timing versus readiness. Owners who wait for the perfect moment frequently miss it. Market windows can open and close faster than a sale process can be organized, and a well-run process typically takes six to twelve months from preparation to closing. Owners who prepare in advance can act when the right buyer, valuation, or personal milestone arrives, rather than reacting under pressure.

WHAT BUYERS LOOK FOR

Demand for quality is constant. Private equity firms and strategic acquirers continuously seek businesses with recurring revenue, defensible market positions, and capable management teams.

Private capital must be deployed. Private equity funds raise capital with finite investment periods, which sustains demand for well-prepared middle-market companies across economic cycles.

Financing shapes structure, not just price. When borrowing costs rise, buyers rely more on earnouts, seller notes, and equity rollovers; when credit is accessible, more value is paid in cash at closing.

Strategic buyers acquire to grow. Larger companies acquire to add capabilities, products, and geographies faster than they could build them, particularly in healthcare, life sciences, and technology-enabled services.

VALUATIONS ACROSS CYCLES

Economic conditions influence valuations. Rising interest rates, inflation, and recession concerns can compress multiples and slow deal activity, while stable conditions and accessible credit tend to expand them. These forces are outside an owner's control; the quality and preparedness of the business are not.

M&A in the middle market. During downturns, overall M&A volume typically declines as sales soften and margins thin. Activity does not stop, however. Buyers become more selective, diligence intensifies, and capital concentrates on companies with solid fundamentals. In softer markets, the gap in value between a prepared and an unprepared business tends to widen.

Five steps to strategic preparation. Whatever the market environment, owners control one critical factor: how well their company is prepared to withstand a buyer's scrutiny. A disciplined preparation process should include the following five steps.

01

MAINTAIN ACCURATE RECORDS

Work with your in-house accounting team or financial advisor to gather and analyze the company's financial, sales and marketing, employee, and operational data. Consult your CPA or outside counsel on whether a formal audit or a sell-side "quality of earnings" review is warranted; one often accelerates diligence and protects value.



02

DRAFT DETAILED MARKETING MATERIALS

Your business must be portrayed in the most compelling and credible way possible. Prepare an executive summary covering the business overview, market opportunity, critical operating metrics, key personnel biographies, and financial performance. Refresh it at least quarterly. Highlight how the business has navigated challenging periods, along with its short-, mid-, and long-term growth strategies.

03

ASSESS YOUR KEY TALENT

Identify and retain key employees or partners who could be critical to a successful transaction. Then, at the right time, communicate your expectations and discuss the key steps and issues related to the transaction, the new ownership and transition, their roles post-transaction, and any retention bonuses they may receive.

04

BUILD YOUR CORE TEAM

Establish a trusted internal key management team, including a CFO, alongside an exit-planning advisory team of an M&A advisor, a CPA, and a transaction attorney. If you do not have a full-time CFO, consider hiring one well before a process begins. Your CFO and M&A advisor can help you prepare early, and a capable management team will ease your burden during due diligence and management meetings.

05

PLAN THE PERSONAL FINANCIAL IMPACT

Consult your tax and legal advisors early to improve after-tax outcomes. Planning early does not set anything in stone; rather, it provides a clear roadmap. Many estate and tax strategies must be in place well before a letter of intent (LOI) is signed. Clarity on your personal goals, whether full liquidity, a partial rollover, or a continued role, also helps buyers structure an offer that works for you.

TAKEAWAY

READINESS BENEFITS BUYER AND SELLER

The decision to sell a business is emotionally taxing and operationally demanding. Building and implementing a thoughtful exit plan can take several months or even years, and it requires owners to be intentional and explicit about their goals.

Market conditions will always shift. What endures is buyer demand for established businesses that are financially sound, innovative, and well prepared. Private equity and strategic buyers look for these qualities in every cycle, so owners who prepare opportunistically, well before they need to sell, retain control over timing, terms, and outcome.

Business owners can better position themselves for an exit by strengthening their operations and becoming more marketable to potential buyers. As a result, they will be better able to find the right home for their business, enhance its value, and negotiate better exit terms. Engage an experienced M&A advisor early to help organize the process and gather market intelligence.



Aeklvya Advisors, Inc.
5 West 37th Street, 6th Floor, New York, NY 10018
Tel: +1 347 644 0666 | www.aeklvya.com